



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approval of Contract Revision for Temporary Reduction of Western Power Allotment

MEETING DATE: March 20, 1996

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the Electric Utility Director to sign Exhibit A, Revision 1, to Contract No. 92-SAO-20056 between the City of Lodi and the Western Area Power Administration (Western).

BACKGROUND INFORMATION: Western has solicited temporary power allotment reductions from existing users to provide benefits to additional customers. Lodi currently has a 13.236 MW allotment of capacity and associated energy from Western. Lodi can economically replace the power associated with the proposed 6.600 MW reduction. A six month recall provision protects Lodi from unfavorable changes in the power market. This temporary reduction ends in 2004 and in no way will prejudice Lodi's application for future allocations.

FUNDING: None required.

Alan N. Vallow
Electric Utility Director

ANV/JLS/sh

Prepared by John L. Stone, Manager, Rates and Resources

cc: City Attorney
Manager, Rates and Resources

APPROVED: _____

H. DIXON FLYNN
City Manager

EXHIBIT A
(Contract Rate of Delivery)

1. This Exhibit A, Revision 1, to be effective under and as a part of Contract No. 92-SAO-20056 shall become effective March 1, 1996; shall supersede the current Exhibit A dated October 13, 1992; and, shall remain in effect until either superseded by another Exhibit A or upon termination of the Contract.
2. On March 1, 1996, the Contract Rate of Delivery of 8.063 megawatts of Westlands Withdrawable Power shall be reduced to 1.463 MW of Westlands Withdrawable Power. The Long-Term Firm Power CRD of 5.173 MW shall remain.
3. Western and Lodi have mutually agreed that Lodi's CRD will be temporarily reduced under the following terms and conditions:
 - 3.1 Lodi's Westlands Withdrawable Power CRD will revert to 8.063 MW on July 1, 1999 (Reversion Date), or a later date as specified in Section 3.2 of this Exhibit A.
 - 3.2 Lodi, at its sole option, may delay the Reversion Date for successive annual terms after July 1, 1999 by notifying Western in writing of its intention to delay the reversion at least six (6) months prior to the Reversion Date, or the anniversary date of the Reversion Date thereafter.
 - 3.3 Lodi may recall all or part of its original CRD allocation upon six (6) months written notice. Lodi will be limited to one recall per calendar year, commencing with the 1997 calendar year unless agreed otherwise by Western.
 - 3.4 Lodi may return a recalled portion of its allocation to Western if agreed to by Western; Provided, That Lodi shall not, except for minor changes of 3 MW or less, both increase and decrease its CRD in a calendar year.
 - 3.5 This temporary reduction shall not constitute a waiver of Lodi's contract right to its Power allocation nor an agreement by Lodi to a permanent decrease in its Power allocation.

3.6 The temporary reduction in CRD will in no way prejudice Lodi's application for future allocations, including those made a part of the 2004 Marketing Plan.

WESTERN AREA POWER ADMINISTRATION

By: _____

Title: Regional Manager

Address: 114 Parkshore Drive

Folsom, California 95630

Date: _____

CITY OF LODI, Electric Department

By: _____

Title: _____

Address: _____

Date: _____

Attest:

By: _____

Title: _____

Approved as to form

Richard A. Spivey
City Attorney